

## Message Text

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45

ACTION NEA-13

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 ISO-00 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 EB-11 FEA-02 INT-08

COME-00 TRSE-00 OMB-01 DRC-01 /176 W

----- 119350

R 290920Z JAN 74

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 5239

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TRIPOLI

AMEMBASSY CARACAS

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BEIRUT PLEASE PASS BAGHDAD

STATE ALSO FOR T/IEP

E.O. 11652: N/A

TAGS: ENRG, IR

SUBJ: ENERGY: IRANIAN NEWSPAPER EDITORIALS REJECT OIL PRICE  
DECREASE AND ATTACK YAMANI

REF: TEHRAN 0543

1. SUMMARY: RECENT EDITORIALS IN "KAYHAN INTERNATIONAL" (ALSO  
CARRIED IN PERSIAN KAYHAN) HAVE ATTACKED SECRETARY SHULTZ  
FOR HIS ALLEGED STATEMENT THAT OIL PRICE SHOULD BE DOL\$5 PER  
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BARREL AND ACCUSED YAMANI OF BEING MORE "MOUTHPIECE FOR SECRETARY

SHULTZ." EDITORIALS BY IMPLICATION ACCUSE CONSUMERS OF COLONIALIST THINKING AND OF HYPOCRASY IN THEIR PROFESSIONS OF CONCERN FOR DEVELOPING NATIONS. ACTION REQUESTED: PLS INFORM WHETHER SEC'Y SHULTZ EVER CALLED FOR DOL\$5 PER BARREL PRICE. END SUMMARY. EXTRACTS FROM KAYHAN INTERNATIONAL EDITORIALS FOLLOW:

2. "KAYHAN" OF JAN 22 (WHICH ALSO CARRIED ARTICLE TRANSMITTED REFTEL), IN EDITORIAL ENTITLED "SHULTZ AND THE SHAIKH", CLAIMS SECRETARY SHULTZ " HAS JUST COME OUT WITH A CALL FOR THE REDUCTION OF OIL PRICES, MENTIONING THE FIGURE OF DOL\$5 PER BARREL OF CRUDE." (COMMENT: WE HAVE NOT SEEN ANY NEWS REPORT INDICATING THAT SECRETARY SHULTZ USED THIS FIGURE. WOULD APPRECIATE CLARIFICATION.) ASKING WHETHER SECRETARY SHULTZ WOULD BE ALLOWED TO DECIDE PRICES OF OECD GOODS, EDITORIAL CONTINUES "THIS, A ONE-SIDED SYSTEM OF DETERMINING THE SHAPE OF INTERNATIONAL TRADE, IS AT BEST A PROPOSAL BORDERING ON THE HILARIOUS. AT WORST IT CAN LOOK LIKE AN OLD ECHO OF THE COLONIAL AGE."

3. KAYHAN ASKS WHERE THE "MAGICAL FIGURE" REPORTEDLY MENTIONED BY SHULTZ CAME FROM: "WHAT IS ESPECIALLY INTERESTING IS THAT... YAMANI IS REPORTED TO HAVE MENTIONED THE SAME FIGURE...THE SHAIKH HAS MADE NO SECRET OF HIS OPPOSITION TO THE PRICE DECIDED BY OPEC AT TEHRAN. HE IS A DOL\$5-A-BARRELMAN. WHO INSPIRED WHO (SIC)?...THAT THE SHAIKH AND SHULTZ ARE ON THE SAME WAVELENGTH CANNOT BE ACCIDENTAL UNLESS WE BELIEVE IN THE TELEPATHY OF LOVE." EDITORIAL ALLEGES, FINALLY, THAT CONSUMERS ONLY ATTACK MUSLIM PRODUCERS FOR RAISING PRICES, LETTING VENEZUELA AND CANADA DO WHAT THEY PLEASE.

4. EDITORIAL ENTITLED "CROCODILE TEARS" IN JAN. 28 "KAYHAN INTERNATIONAL" SAYS INDUSTRIAL WORLD'S " NEW-FOUND ANXIETY FOR WELFARE OF THIRD WORLD IS IN CURIOUS CONTRAST TO TERMS OF TRADE INDUSTRIAL COUNTRIES HAVE IMPOSED ON THEIR LESS-FORTUNATE AND NON-EUROPEAN BROTHERS," AND CONTINUES: "WITH ASSISTANCE AND UNTIRING EFFORTS OF COUNTRIES LIKE IRAN, UNCTAD PROVIDED EXCELLENT FORUM FOR MUTUALLY BENEFICIAL ACTION ON PART OF BOTH RICH AND POOR COUNTRIES TO NARROW INCOME GAP BETWEEN THEM. BUT SAME COUNTRIES WHICH NOW CRY FOR DEVELOPING COUNTRIES LIMITED OFFICIAL USE

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WELFARE DID ALL THEY COULD TO FRUSTRATE UNCTAD'S MISSION. IN THE LAST TWENTY YEARS PRICE INDEX FOR INDUSTRIAL GOODS HAS MULTIPLIED BY ALMOST EIGHT TIMES. BUT PRICE FOR RAW MATERIALS SUCH AS COTTON, COPPER, COCOA, COFFEE, TEA, RICE, JUTE AND OTHER PRODUCTS...HAS REMAINED LARGELY STABLE AND EVEN DECLINED, DUE TO THE DEPRECIATION OF MAJOR CURRENCIES...IS IT REALLY THE CAUSE OF THE THIRD WORLD THAT WORRIES THE INDUSTRIALIZED COUNTRIES OR SIMPLY THE FACT THAT THESE STATES ARE FINALLY

REQUIRED TO PAY A FAIR PRICE FOR THEIR FUEL...IS THE THIRD WORLD ARGUMENT NOT DESIGNED MERELY TO CONFUSE THE ISSUE AND CAUSE DIVISION WITHIN OPEC RANKS? THE THIRD WORLD, IN ANY CASE, CAN DO WITHOUT THE INDUSTRIALISED STATES' CROCODILE TEARS."

5. "KAYHAN" AFTER SWIPE AT "WINDFALL PROFITS" OF MAJOR OIL COMPANIES, CLAIMS THAT "RISE IN CRUDE OIL PRICES IS, AND MUST BE -- APRELIMINARY STEP TOWARD RISE IN PRICES OF OTHER RAW MATERIALS AND COMMODITIES WHICH INDUSTRIALIZED WORLD HAS BEEN GETTING ON THE CHEAP FOR TOO LONG...UNDER THESE CIRCUMSTANCES, IT IS CURIOUS THAT...YAMANI OF ALL PEOPLE SHOULD SUDDENLY BECOME AN ADVOCATE OF LOWER CRUDE PRICES... PREVIOUSLY HE HAD GONE ON RECORD AS REITERATING HIS BELIEF IN THE LAW OF SUPPLY AND DEMAND... THE SAIKH'S SUDDEN CHANGE OF HEARD MAKES HIM NOTHING MORE THAN A MOUTHPIECE FOR U.S. SECRETARY OF TREASURY SHULTZ. IT WAS SHULTZ IN FACT, WHO ORIGINALLY CALLED FOR LOWER CRUDE PRICES ON PRETEXT THAT WELFARE OF INTERNATIONAL COMMUNITY WAS BEING ENDANGERED. YAMANI IS NOW USING THE SAME CLICHES AND ARGUMENTS."

6. EDITORIAL CONCLUDES WITH REMARK THAT GIVEN THEIR PAST RECORDS, NEITHER YAMANI NOR SHULTZ "CAN HAVE ANY PRETENSIONS TO CHAMPION CAUSE OF DEVELOPING COUNTRIES," AND WARNING THAT ANY UNILATERAL DECISION ON OIL PRICES COULD UNDERMINE THE UNITY OF OPEC.  
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